



Illinois Lead Service Line Replacement Advisory Board Releases Report of Recommendations

On June 29, 2023, the Lead Service Line Replacement (LSLR) Advisory Board formed under the Illinois Lead Service Line Replacement and Notification Act (LSLRNA) released their first Report of Recommendations. The Board met seven times between April 2022 and July 2023. Additionally, the Board met in two working groups: the technical working group and the financing working group.

Technical Working Group

The technical working group focused on the technical considerations involved in the coordination of LSLR. The group summarized the typical LSLR scenarios in three categories: maintenance-based replacement (i.e., emergency repair), inventory-based replacement (either CWS initiated, or customer initiated), and capital replacement (coordination of LSLR with planned construction activities). LSLR methods of construction include traditional open-cut excavation, trenchless methods, and pipe pulling/pipe splitting. Page 6 of the report includes a helpful table showing the factors that typically determine the best construction method for a CWS.

The group also summarized the implementation challenges many CWSs face, including technical, administrative, and workforce difficulties. The technical challenges include ownership of the services, difficulties inventorying services, budgeting customer-initiated replacements, coordination of work between multiple parties (residents, contractors, plumbers, etc.), potential for damage to private property, plumbing separation requirements, safety due to electrical grounding, and damage to services by other utilities.

Administrative considerations experienced by CWSs proactively addressing LSLRs can be complex. Some of these challenges include procuring Construction Access Agreements from customers, gaining access and scheduling coordination with residents, hidden costs, Disadvantaged Business Enterprise (DBE) requirements, and some communities/regions experiencing few bidders for LSLR projects.

The final topic of the Technical Work Group section discusses workforce capacity and additional development needs. There is currently a gap between the skilled LSLR workforce (including DBE firms and plumbers/plumbing contractors) and the number of projected LSLs in Illinois. This gap will need to be addressed in order for CWSs to meet the replacement schedule demands set forth in LSLRNA. Additionally, the development of a central clearinghouse for notification, waiver, and reporting documents would be beneficial statewide and prevent every CWS from reinventing their own documents and processes.

Financing Working Group

The purpose of this section is to assess the costs associated with, and the opportunities to finance, LSLR in Illinois. The Illinois Environmental Protection Agency (IEPA) estimates the cost of replacing Illinois' LSLs to range between \$5.8 billion and \$10 billion. This estimate is based on a variable per-unit replacement cost (ranging from \$4,275 to \$13,324) and an uncertain number of LSLs (ranging from 750,000 to 1.49 million).

CWSs throughout Illinois vary substantially in the diversity of incomes within their service areas. Variation in income has an important relationship to resident ability to bear LSLR cost through water rate increases. Income-based billing and assistance programs such as the federal Low-Income Household Water Assistance Program pilot may be implemented to protect low-income households from LSLR costs.

While the Advisory Board knows of no existing dedicated sources of revenue sufficient to finance replacement of all Illinois' LSLs, there are many opportunities to either leverage existing sources of revenue or generate



new sources of revenue for LSLR at the federal, state, and local levels. Federal funding opportunities include the Drinking Water State Revolving Fund (DWSRF) and Community Development Block Grant (CDBG).

Currently there is no specific state-collected revenue that is provided to CWSs for LSLR. However, the State has access to existing funds that may be allocated to LSLR, including Coronavirus State Fiscal Recovery Funds made available through the federal American Rescue Plan Act (ARPA), the Rebuild IL Capital Program, Lead Poisoning Screening, Prevention, and Abatement Fund (childcare facilities only), General Revenue Funds, and the Public Water Supply Loan Fund (state revolving fund).

Additional revenue for LSLR could be raised by increasing existing taxes or fees already collected by the State. New statewide revenue sources could be developed by the State including per 1,000-gallon charge on water bills (e.g., 27.4 cents per 1,000 gallons), per connection charge on water bills, and/or a Statewide bottled water tax.

Local funding opportunities may depend on the ownership body of the water supply and could include rate increases, water bill fees, and property/sales taxes. In addition to raising revenue, units of local government and CWSs can help drive down the cost of LSLR through block level replacement and coordination with other capital projects.

The final topic of the financing work group section discusses local support for low-income residents who are especially susceptible to rising rates and potential fees. Possible assistance to low-income households can include water bill credits and rebates, long-term, interest-free payment plans for LSLR costs, and partial or full coverage of costs for customers whose income is 80% or less than the area's median income or tenants enrolled in federal housing programs.

Conclusion

Implementing and financing LSLR in Illinois is nuanced and a one-sized-fits-all approach will not work for every CWS. Illinois is not currently positioned to finance the replacement of all its LSLs, and CWSs will be responsible for financing LSLR after federal and state funding is considered. The Advisory Board makes the following recommendations that they believe will aid in facilitating effective LSLR efforts:

1. Further research and discussion are needed on any new state revenue sources.
2. Additional research is needed on solutions to technical problems.
3. A multi-state partnership and cooperative relationship among Illinois, Michigan, and New Jersey officials would be beneficial for learning about financing, implementing, and navigating LSLR.
4. The Advisory Board should provide ongoing assessments, reports, and support to IEPA and other implementing agencies.

The full Advisory Board Report can be downloaded from the IEPA website:

https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/drinking-water/public-water-users/documents/lead-service-line-replacement-advisory-board/2023_LeadServiceLineReplacement_FINAL_6-29-23.pdf

A more detailed summary of the report can be found here:

[EEI Detailed Summary](#)

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